

FEDERAL COMMUNICATIONS COMMISSION WASHINGTON

April 18, 2000

The Honorable Michael G. Oxley
Vice Chairman
Subcommittee on Telecommunications,
Trade, and Consumer Protection
Committee on Commerce
U.S. House of Representatives
2233 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Vice Chairman:

Thank you for your letter regarding the Commission's "Competitive Networks" initiative to facilitate the development of telecommunications competition in multiple tenant environments.

The Commission released its *Notice of Proposed Rulemaking* in WT Docket No. 99-217 and CC Docket No. 96-98 on July 7, 1999. As you recognize, this *Notice* sought comment, among other things, on legal and policy issues related to potential Commission actions to ensure that competitive telecommunications providers will have reasonable and nondiscriminatory access to rights-of-way, buildings, rooftops, and facilities in multiple tenant environments. I appreciate your support for the Commission's efforts to ensure such access. I also appreciate your statement asserting that nothing in the Communications Act exempts real estate owners that provide telecommunications services from being subject to the competitive requirements of the 1996 Act. I am confident that your comments will help us as we review all of the issues raised in this proceeding.

We have placed your letter in the record of this proceeding and will consider all comments carefully. I appreciate your interest and support for the Commission's initiatives to increase competition in the telecommunications market, and look forward to working with you to achieve this result.

Sincerely,

William E. Kennard

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Chairman

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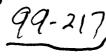
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March 7, 2000

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The Honorable William E. Kennard Chairman Federal Communications Commission 445 12th St., NW Washington, DC 20554

PEPER OF THE SECRETARY

Dear Mr. Chairman:

I am writing regarding recent reports of commercial real estate enterprises establishing telecommunications service capabilities in buildings that they own. I think it is critical that the Commission consider what means may be available to ensure that building owners are treated in the same fashion as other telecommunications competitors if they are offering the same types of services.

One of my recent priorities has been to address a continuing problem for competitive telecommunications providers in gaining access to commercial buildings. If the promise of the telecommunications revolution is being diminished by some building owners who are erecting new impediments to competition, then we should move to stop this abuse. Consumers all across our country have been demanding broadband services. Many of us have worked diligently to take steps to bring these new services to our constituents, urban and rural alike.

I am aware of the pending Competitive Networks rulemaking at the FCC, under which the Commission is to fashion rules to facilitate the introduction of new services in multi-tenant buildings. The recent announcements that several real estate enterprises have developed operations to provide telecommunications services to tenants residing in their buildings raises questions in this regard.

Were it not for concerns over nondiscriminatory access for other new telecommunications competitors seeking to provide service in those buildings, we should only welcome the competition. But given their entry into telecommunications, these real estate interests will have increased incentives to prevent competitors from obtaining reasonable and nondiscriminatory access to tenants in their buildings. In short, a class of

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competitors is developing with control over a bottleneck — access to consumers in multitenant buildings — and this presents the real danger that monopolist behavior will increase.

Because monopolies are detrimental to consumers, the 1996 Act sought to diffuse the exercise of monopoly power so that consumers could benefit from telecommunications competition. Pursuant to the 1996 Act, all telecommunications carriers are required to interconnect with each other, while all local exchange carriers — CLECs and ILECs alike - must provide other telecommunications carriers with access to certain portions of their networks.

Nothing in the Communications Act exempts real estate owners that provide telecommunications services from being subject to these requirements. In order for consumers to be free to choose their telecommunications providers, and in order to promote vigorous competition for those consumers, it is important for the FCC to avoid implicitly granting preferential treatment to one class of competitors by permitting them to discriminate against other telecommunications carriers.

In the end, our object here is to give consumers everywhere a chance to realize the benefits of new services and new competitors by insisting on fair principles for competition. I look forward to the Commission's action on this matter and to working with you and the other Commissioners to achieve our objective of giving consumers greater choice in telecommunications providers.

Michael G. Oxley

Vice Chairman

Subcommittee on Telecommunications,

Trade, and Consumer Protection

cc: Commissioner Susan Ness
Commissioner Harold Furchtgott-Roth
Commissioner Michael Powell
Commissioner Gloria Tristani